

**Bollinger Shipyards Lockport, LLC
Bollinger Shipyards, Inc.
Lockport, Lafourche Parish, Louisiana
Agency Interest Number: 10132**

**Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services**

STATEMENT OF BASIS

**Bollinger Shipyards Lockport, LLC
Bollinger Shipyards, Inc.
Lockport, Lafourche Parish, Louisiana
Agency Interest Number: 10132
Activity Number: PER20000002
Proposed Permit Number: 1560-00051-V0**

I. APPLICANT

Company:
Bollinger Shipyards, Inc.
PO Box 250
Lockport, Louisiana 70374-0250

Facility:
Bollinger Shipyards Lockport, LLC
8365 Hwy 308
Lockport, Lafourche Parish, Louisiana
Approximate geographic coordinates are 29° 36' 45" latitude and 90° 29' 30" longitude.

II. FACILITY AND CURRENT PERMIT STATUS

The Bollinger Shipyards Lockport facility is a marine vessel repair, maintenance, and construction facility. The site fabricates offshore service vessels, barges, and boats for both military and commercial use. New construction and repair includes work on hulls, decks, cabins, structural supports, and compartments, as well as production of components for marine boats and barges. Major activities include welding; metal cutting; abrasive blasting; and painting. Peripheral operations include miscellaneous gasoline tanks, tanker truck loading, barge/marine vessel venting, and diesel and gasoline combustion sources. These activities take place at various places in the shipyard, on the vessels, and in enclosed fabrication shops. Screens and tarps are used when possible, to prevent emissions from affecting off-site areas.

Bollinger Shipyards Lockport, LLC currently operates under State Permit No. 1560-00051-03, issued July 2, 1997. Bollinger Shipyards, Inc. proposes to obtain an initial Part 70 Operating Permit to increase permitted emission rates to reflect

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current and future operations. The facility submitted timely applications for its initial Part 70 permit.

III. PROPOSED PROJECT/PERMIT INFORMATION

Application

A permit application and Emission Inventory Questionnaire were submitted by Bollinger Shipyards Lockport, L.L.C., dated November 27, 2000, requesting a Part 70 Operating Permit. Bollinger submitted a revised permit application and EIQ, dated August 23, 2002, reflecting updates to current operations. This application was replaced by an updated application and EIQ dated September 13, 2006. This permit is based on the application dated September 13, 2006 along with supplemental information dated January 10, 2007.

Project

Bollinger Shipyards Lockport, L.L.C. proposes to obtain an initial Part 70 Operating Permit to increase permitted emission rates to reflect current and future operations. This permit also updates emission calculations, establishes an emissions cap for shotblasting operations, and reconciles emission sources not currently permitted.

This Title V Permit incorporates the following changes from the current State Permit:

1. Increases in Toxic Air Pollutants (TAPs), Volatile Organic Compounds (VOCs) and Particulate Matter (PM₁₀) emissions
2. Increase in painting operations (Emission Source 030)
3. Increase in abrasive blasting operations (Emission Source 040)
4. Increase in shot blasting activities
5. Addition of two portable shot blasting machines
6. Creation of a shot blasting cap, which incorporates emissions from a stationary panel line shot blaster and two portable shot blasters (Emission Source 071)
7. Increase in welding and metal cutting operations (Emissions Sources 060 and 050)
8. Speciation of toxic metals from metal cutting operations
9. Increase in usage of emergency diesel generator #1 (Emission Source 080)
10. Addition of emergency diesel generator #2 (Emission Source 081)
11. Increase in truck loading throughput (Emission Source 090)
12. Addition of barge and tank venting emissions (Emission Source 100) as a permitted emissions point due to an increase in throughput
13. Addition of diesel and gasoline combustion sources used intermittently on site (Emission Source 082 and 083)

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14. Addition of miscellaneous gasoline tank sources on equipment used intermittently on site (Emission Source 028)
15. Reconciliation of certain insignificant activities
16. Deletion of tanks which are insignificant activities or no longer are in service
17. Updated emissions calculations using the most current emission factors available
18. Updated speciations in emissions calculations

The facility has requested flexibility in TAPs emissions from painting, blasting, cutting, and welding operations in order to accommodate the use of different materials to meet customer needs.

Proposed Permit

Permit 1560-00051-V0 will be the initial Part 70 operating permit for Bollinger Shipyards Lockport, LLC.

Permitted Air Emissions

Estimated emissions in tons per year are as follows:

Pollutant	Before	After	Change
PM ₁₀	5.47	28.16	+ 22.69
SO ₂	-	1.04	+ 1.04
NO _x	0.39	15.87	+ 15.48
CO	0.10	9.45	+ 9.35
VOC	34.39	109.92	+ 75.53

LAC 33:III Chapter 51 Toxic Air Pollutants (TAPs):

Pollutant	Before	After	Change
Antimony	-	<0.001	+ <0.001
Arsenic	-	<0.001	+ <0.001
Barium	-	0.266	+ 0.266
Benzene	0.001	<0.01	-
Biphenyl	-	<0.01	+ <0.01
n-Butyl Alcohol	2.57	10.48	+ 7.91
Chlorobenzene	0.001	-	- 0.001
Chromium (hexavalent)	-	0.065	+ 0.065*
Cobalt	-	<0.01	+ <0.01
Copper	-	1.102	+ 1.102

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LAC 33:III Chapter 51 Toxic Air Pollutants (TAPs):

Pollutant	Before	After	Change
Cumene	0.001	0.25	+ 0.249
Dibutyl phthalate	-	1.63	+ 1.63
Ethyl benzene	0.64	6.67	+ 6.03
Ethylene glycol	-	<0.01	+ <0.01
Gasoline vapors	1.18	-	- 1.18
Glycol ethers	0.002	0.96	+ 0.958
Hydroquinone	-	<0.01	+ <0.01
n-Hexane	-	<0.01	+ <0.01
Lead	-	<0.01	+ <0.01
Manganese	-	0.24	+ 0.24*
Methanol	1.01	3.62	+ 2.61
Methyl ethyl ketone	0.23	0.53	+ 0.30
Methyl isobutyl ketone	1.29	6.58	+ 5.29
Methyl-tert-butyl ether	-	0.03	+ 0.03
4,4-Methylene Dianiline	-	0.03	+ 0.03
Naphthalene	0.002	0.15	+ 0.148
Nickel	-	0.043	+ 0.043*
PAH	-	<0.001	+ <0.001
Phenol	0.004	0.80	+ 0.796
Styrene	-	0.71	+ 0.71
Toluene	4.71	14.23	+ 9.52
Toluene-2,4-diisocyanate	-	<0.001	+ <0.001
Trichloroethylene	0.05	-	- 0.05
Xylene	9.16	22.29	+ 13.13
Zinc	-	2.31	+ 2.31*
Total	20.851	73.06**	+ 52.209

*Non-VOC air toxics (Chromium, Manganese, Nickel and Zinc) were previously permitted in one category instead of individually speciated. The change noted above does not take this previous number into account. The total change in emissions for the four metals is (-.14)

** Aggregate emissions shall be limited to 73.06 tpy. The permittee may emit TAPs, including those not specifically listed, at the greater of the rates listed or the MER. Emissions in excess of the total TAP limit for any 12 consecutive month period shall be a violation of the permit.

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IV REGULATORY ANALYSIS

The applicability of the appropriate regulations is straightforward and provided in the Specific Requirements section of the proposed permit. Similarly, the Monitoring, Reporting and Recordkeeping necessary to demonstrate compliance with the applicable terms, conditions and standards are also provided in the Specific Requirements section of the proposed permit.

Applicability and Exemptions of Selected Subject Items

ID No.	Requirement	Note
Plant Wide	Chemical Accident Prevention [LAC 33:III.5907] [40 CFR 68]	DOES NOT APPLY. Facility does not produce, process, handle, or store any substance listed in greater than the threshold amounts.
EQT 6 Miscellaneous Gasoline Fuel Tanks	Storage of Volatile Organic Compounds [LAC 33:III.2103]	DOES NOT APPLY. Storage tanks have a capacity less than 250 gallons.
	Filling of Gasoline Storage Vessels [LAC 33:III.2131]	DOES NOT APPLY. Storage vessels have a capacity less than 250 gallons.
	NSPS Subpart K – Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced after 6/11/73 and prior to 5/19/78. [40 CFR 60.110]	DOES NOT APPLY. Tank capacities <40,000 gallons.
	NSPS Subpart Ka – Standards of Performance for Storage Vessels for Petroleum liquids for Which Construction, Reconstruction, or Modification Commences after May 18, 1978 and Prior to July 23, 1984. [40 CFR 60.110a]	DOES NOT APPLY. Tank capacities <40,000 gallons.
	NSPS Subpart Kb – Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels for Which Construction, Reconstruction, or Modification Commenced after July 23, 1984. [40 CFR 60.110b]	DOES NOT APPLY. Tank capacities <19,813 gallons.
EQT 10 Emergency Diesel Generator #1	NSPS IIII – Standards of Performance for Stationary Compression Internal Combustion Engines [40 CFR 60.4200]	DOES NOT APPLY. The generator was constructed prior to July 11, 2005.
	NESHAP Subpart ZZZZ - National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines [40 CFR 63.6580]	EXEMPT. The generator is an existing emergency stationary RICE. The generator does not have to meet the requirements of this regulation or of subpart A of part 63. No initial

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		notification is necessary.
EQT 11 Emergency Diesel Generator #2	NESHAP Subpart ZZZZ - National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines [40 CFR 63.6580]	DOES NOT APPLY. The generator is rated at less than 500 brake horsepower and is therefore not an affected source.
EQT 12 Miscellaneous BLN/BLR Gasoline Combustion Sources	NESHAP Subpart ZZZZ - National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines [40 CFR 63.6580]	DOES NOT APPLY. The engines in this equipment point are rated at less than 500 brake horsepower and are therefore not affected sources.
EQT 13 Miscellaneous BLN/BLR Diesel Combustion Sources	NSPS IIII – Standards of Performance for Stationary Compression Internal Combustion Engines [40 CFR 60.4200]	DOES NOT APPLY. The engines in this equipment point were constructed prior to July 11, 2005.
	NESHAP Subpart ZZZZ - National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines [40 CFR 63.6580]	DOES NOT APPLY. The engines in this equipment point are rated at less than 500 brake horsepower and are therefore not affected sources.
EQT 14 Truck Loading	NESHAP Subpart EEEE – National Emission Standards for Hazardous Air Pollutants: Organic Liquids Distribution (Non-Gasoline) [40 CFR 63.2330]	DOES NOT APPLY. No materials that meet the definition of “organic liquid” are stored, processed, or transferred at this facility.
	NESHAP Subpart EEEE – National Emission Standards for Hazardous Air Pollutants: Organic Liquids Distribution (Non-Gasoline) [40 CFR 63.2330]	DOES NOT APPLY. No materials that meet the definition of “organic liquid” are stored, processed, or transferred at this facility.
EQT 16 Gasoline UST #1 (Regular)	Filling of Gasoline Storage Vessels [LAC 33:III.2131]	EXEMPT. The facility is located in Lafourche parish and the throughput is less than 500,000 gallons per year.
	NSPS Subpart K – Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced after 6/11/73 and prior to 5/19/78. [40 CFR 60.110]	DOES NOT APPLY. Tank capacity <40,000 gallons.
	NSPS Subpart Ka – Standards of Performance for Storage Vessels for Petroleum liquids for Which Construction, Reconstruction, or Modification Commences after May 18, 1978 and Prior to July 23, 1984. [40 CFR 60.110a]	DOES NOT APPLY. Tank capacity <40,000 gallons.
	NSPS Subpart Kb – Standards of Performance for	DOES NOT APPLY. Tank

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	<p>Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels for Which Construction, Reconstruction, or Modification Commenced after July 23, 1984.</p> <p>[40 CFR 60.110b]</p>	capacity <19,813 gallons.
EQT 17 Gasoline UST #2 (Super)	<p>Filling of Gasoline Storage Vessels</p> <p>[LAC 33:III.2131]</p>	EXEMPT. The facility is located in Lafourche parish and the throughput is less than 500,000 gallons per year.
	<p>NSPS Subpart K – Standards of Performance for Storage Vessels for Petroleum Liquids for which Construction, Reconstruction, or Modification Commenced after 6/11/73 and prior to 5/19/78.</p> <p>[40 CFR 60.110]</p>	DOES NOT APPLY. Tank capacity <40,000 gallons.
	<p>NSPS Subpart Ka – Standards of Performance for Storage Vessels for Petroleum liquids for Which Construction, Reconstruction, or Modification Commences after May 18, 1978 and Prior to July 23, 1984.</p> <p>[40 CFR 60.110a]</p>	DOES NOT APPLY. Tank capacity <40,000 gallons.
	<p>NSPS Subpart Kb – Standards of Performance for Volatile Organic Liquid Storage Vessels (Including Petroleum Liquid Storage Vessels for Which Construction, Reconstruction, or Modification Commenced after July 23, 1984.</p> <p>[40 CFR 60.110b]</p>	DOES NOT APPLY. Tank capacity <19,813 gallons.
EQT 18 Diesel Rental Engine	<p>NSPS IIII – Standards of Performance for Stationary Compression Internal Combustion Engines</p> <p>[40 CFR 60.4200]</p>	DOES NOT APPLY. The engine in this equipment point is constructed prior to July 11, 2005.
	<p>NESHAP Subpart ZZZZ - National Emission Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines</p> <p>[40 CFR 63.6580]</p>	DOES NOT APPLY. The engine in this equipment point is rated at less than 500 brake horsepower and is therefore not an affected source.

Prevention of Significant Deterioration/Nonattainment Review

A PSD permit is not required for this facility.

Streamlined Shipbuilding Requirements

The facility is required to comply with requirements for volatile organic compounds under three separate programs. These programs are LAC 33:III.2123; Louisiana Shipbuilding MACT; and 40 CFR 63 Subpart II. These programs have been streamlined and the most stringent requirement of the three regulations has been included in the Title V Permit.

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Unit	Program Being Streamlined	Overall Most Stringent Program
ARE 1 Painting Operations	40 CFR 63 Subpart II – National Emission Standards For Shipbuilding and Ship Repair (Surface Coating)	40 CFR 63 Subpart II – National Emission Standards For Shipbuilding and Ship Repair (Surface Coating); some requirements from LAC 33:III.2123 are also included where 40 CFR 63 Subpart II was not as stringent
	LAC 33:III.2123 – Organic Solvents	
	LAC 33:III.5109 – Louisiana Shipbuilding MACT	

MACT Requirements

Bollinger Shipyards Lockport, LLC is a major source of toxic air pollutants. Bollinger meets MACT requirements by complying with the NESHAP II requirements for coating operations. Good operating practices are determined to be MACT for metal cutting, welding, and abrasive blasting operations. Good operating practices and compliance with LAC 33:III.2103 are considered MACT for miscellaneous gasoline tanks. Compliance with LAC 33:III.2103 is determined to be MACT for the underground storage tanks. Good operating practices and following LAC 33:III.2107, as applicable, are determined to be MACT for loading operations. Good operating practices and compliance with LAC 33:III.2108, as applicable, are determined to be MACT for barge and tank venting. Good operating practices and use and maintenance of baghouses as described in the operating permit are determined to be MACT for shot blasting operations.

Air Quality Analysis

It was determined that a screening analysis was not necessary for the facility.

General Condition XVII Activities

The facility will comply with the applicable General Condition XVII Activities emissions as required by the operating permit rule. However, General Condition XVII Activities are not subject to testing, monitoring, reporting or recordkeeping requirements. Currently, there are no approved General Condition XVII Activities in the Title V Permit.

Insignificant Activities

All Insignificant Activities are authorized under LAC 33:III.501.B.5. For a list of approved Insignificant Activities, refer to the Section IX – Insignificant Activities of the proposed permit.

V. PERMIT SHIELD

A permit shield is not a component of this permit.

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VI. PERIODIC MONITORING

The facility will monitor facility-wide emissions of TAPs to comply with a federally enforceable limit.

Baghouses on shot blasting equipment will be monitored every six months or when visible emission checks indicate maintenance may be necessary. Visible emissions are monitored daily when equipment is in use. Additionally, the throughput of each shot type used and the associated emissions will be monitored monthly to ensure compliance with the shot blasting cap.

The vapor pressure of substances loaded onto trucks will be monitored during each loading event to ensure exemption from LAC 33:III.2107.

Periodic monitoring for the new diesel generator is covered by 40 CFR 60 Subpart III. Periodic monitoring for painting operations is covered by 40 CFR 63 Subpart II.

VII. GLOSSARY

Carbon Monoxide (CO) – A colorless, odorless gas, which is an oxide of carbon.

Maximum Achievable Control Technology (MACT) – The maximum degree of reduction in emissions of each air pollutant subject to LAC 33:III.Chapter 51 (including a prohibition on such emissions, where achievable) that the administrative authority, upon review of submitted MACT compliance plans and other relevant information and taking into consideration the cost of achieving such emission reduction, as well as any non-air-quality health and environmental impacts and energy requirements, determines is achievable through application of measures, processes, methods, systems, or techniques.

Hydrogen Sulfide (H₂S) – A colorless inflammable gas having the characteristic odor of rotten eggs, and found in many mineral springs. It is produced by the reaction of acids on metallic sulfides, and is an important chemical reagent.

New Source Review (NSR) – A preconstruction review and permitting program applicable to new or modified major stationary sources of air pollutants regulated under the Clean Air Act (CAA). NSR is required by Parts C (“Prevention of Significant Deterioration of Air Quality”) and D (“Nonattainment New Source Review”).

Nitrogen Oxides (NO_x) – Compounds whose molecules consist of nitrogen and oxygen.

Organic Compound – Any compound of carbon and another element. Examples: Methane (CH₄), Ethane (C₂H₆), Carbon Disulfide (CS₂)

Part 70 Operating Permit – Also referred to as a Title V permit, required for major sources as defined in 40 CFR 70 and LAC 33:III.507. Major sources include, but

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are not limited to, sources which have the potential to emit: ≥ 10 tons per year of any toxic air pollutant; ≥ 25 tons of total toxic air pollutants; and ≥ 100 tons per year of regulated pollutants (unless regulated solely under 112(r) of the Clean Air Act) (25 tons per year for sources in non-attainment parishes).

PM₁₀ – Particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers as measured by the method in Title 40, Code of Federal Regulations, Part 50, Appendix J.

Potential to Emit (PTE) – The maximum capacity of a stationary source to emit any air pollutant under its physical and operational design.

Prevention of Significant Deterioration (PSD) – A New Source Review permitting program for major sources in geographic areas that meet the National Ambient Air Quality Standards (NAAQS) at 40 CFR Part 50. PSD requirements are designed to ensure that the air quality in attainment areas will not degrade.

Sulfur Dioxide (SO₂) – An oxide of sulfur.

Sulfuric Acid (H₂SO₄) – A highly corrosive, dense oily liquid. It is a regulated toxic air pollutant under LAC 33:III.Chapter 51.

Title V Permit – See Part 70 Operating Permit.

Volatile Organic Compound (VOC) – Any organic compound, which participates in atmospheric photochemical reactions; that is, any organic compound other than those, which the administrator of the U.S. Environmental Protection Agency designates as having negligible photochemical reactivity.

PUBLIC NOTICE
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY (LDEQ)
BOLLINGER SHIPYARDS, INC. / BOLLINGER SHIPYARDS LOCKPORT, LLC
PROPOSED INITIAL PART 70 AIR OPERATING PERMIT

The LDEQ, Office of Environmental Services, is accepting written comments on initial Part 70 air operating permit for Bollinger Shipyards, Inc., P.O. Box 250, Lockport, Louisiana 70374 for the Bollinger Shipyards Lockport, LLC. **The facility is located at 8365 Hwy 308 in Lockport, Lafourche Parish.**

The Bollinger Shipyards Lockport facility is a marine vessel repair, maintenance, and construction facility. The site fabricates offshore service vessels, barges, and boats for both military and commercial use. Bollinger Shipyards Lockport, LLC currently operates under State Permit No. 1560-00051-03, issued July 2, 1997.

Bollinger Shipyards, Inc. requested an initial Part 70 air operating permit to increase permitted emission rates to reflect current and future operations. This permit also updates emission calculations, establishes an emissions cap for shotblasting operations, and reconciles sources not previously permitted.

This permit was processed as an expedited permit in accordance with LAC 33:I.Chapter 18.

Estimated emissions in tons per year are as follows:

Pollutant	Before	After	Change
PM ₁₀	5.47	28.16	+22.69
SO ₂	-	1.04	+1.04
NO _x	0.39	15.87	+15.48
CO	0.10	9.45	+9.35
VOC	34.39	109.92	+75.53
TAPS*	20.851	73.06**	+52.209

*Toxic Air Pollutants emitted above the MER in tons per year are: n-Butyl Alcohol 10.48; Dibutyl Phtalate 1.63; Glycol Ethers 0.96; Phenol 0.80; Toluene 14.23; Xylene 22.29; Barium 0.266; Chromium VI 0.065; Copper 1.102; Manganese 0.24; Nickel 0.043; and Zinc 2.31.

**Aggregate emissions shall be limited to 73.06 tpy. The permittee may emit TAPs not specifically listed in the permit at rates below the MER. Emissions in excess of the total TAP limit for any 12 consecutive month period shall be a violation of the permit.

A technical review of the working draft of the proposed permit was submitted to the facility representative and the LDEQ Surveillance Division. Any remarks received during the technical review will be addressed in the "Worksheet for Technical Review of Working Draft of Proposed Permit". All remarks received by LDEQ are included in the record that is available for public review.

Written comments, written requests for a public hearing or written requests for notification of the final decision regarding this permit action may be submitted to Ms. Soumaya Ghosn at LDEQ, Public Participation Group, P.O. Box 4313, Baton Rouge, LA 70821-4313. **Written comments and/or written requests must be received by 12:30 p.m., Wednesday, April 4, 2007.** Written comments will be considered prior to a final permit